

Message Text

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46

ACTION EB-11

INFO OCT-01 NEA-10 ADP-00 INT-08 AID-20 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 L-03 H-03 EUR-25 RSR-01 /159 W

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R 211100Z JUL 73

FM USINT CAIRO

TO SECSTATE WASHDC 3452

C O N F I D E N T I A L CAIRO 2190

E.O. 11652: GDS

TAGS: BEXP EG

SUBJECT: SUMED PROJECT

1. WE HAVE LEARNED FROM EMPLOYEE IN MINISTRY OF PETROLEUM THAT GOE SENT LETTER TO SPIE BATTIGNOLLE ON OR ABOUT JULY 4 STATING THAT MAXIMUM PRICE FOR STEEL THAT EGYPTIANS NOW WILLING TO ACCEPT IS DOLLARS 342.662 PER TON. ACCORDING TO SOURCE, PROJECT WILL REQUIRE APPROXIMATELY 169,000 TONS. SOURCE ALSO SAID THAT SPIE BATTIGNOLLE HAD RAISED PRICE THIS SPRING TO DOLLARS 411 PER TON FROM DOLLARS 303.38 PER TON ESTIMATED IN 1971. THIS REFLECTED A 14 AND A HALF PERCENT INCREASE IN PRICES PLUS 18 PERCENT DEVALUATION OF DOLLAR. AFTER FRENCH LEARNED OF COMPETITION IN BIDDING FOR SUME, THEY LOWERED THEIR PRICES AS FOLLOWS: DOLLARS 381.23 PER TON FOR STEEL OF WEST GERMAN ORIGIN; 368.46 PER TON FOR STEEL OF ITALIAN ORIGIN; AND DOLLARS; 365.36 PER TON FOR STEEL OF FRENCH ORIGIN. ACCORDING TO SOURCE, EGYPTIANS WERE VERY ANNOYED BY FRENCH ACTION SINCE IT INDICATED THAT THEY HAD AN EXCESSIVE PROFIT MARGIN BUILT INTO THEIR EARLIER OFFER. SOURCE BELIEVED THAT IT IS UNLIKELY THE FRENCH WILL COME DOWN TO THE DOLLARS 342.662 PRICE ESTABLISHED BY EGYPTIANS AS UPPER LIMIT.

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2. THIS INFORMATION COULD OBVIOUSLY BE VERY USEFUL
FOR BECHTEL WHO NOW PREPARING THEIR OWN BID. DEPARTMENT
MAY WISH TO PASS IT TO THEM.
WILEY

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NNN

Message Attributes

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